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WHITEHOUSE FOR NSC/WEUROPE

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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: May 29, 2008

PARLIAMENT PUTS BRAKES ON HEALTHCARE REFORM

¶1. The coalition government's controversial healthcare reform is encountering resistance not only from doctors and the Austrian Medical Association, but also from Parliament. The three parliamentary presidents have dismissed the SPOe-OeVP cabinet's wish to have the reform law passed before Parliament's summer recess, saying they "won't be rushed" on such an important issue. The parliamentary presidents underscored they would debate the draft law "as long as necessary," possibly until the fall. While the three parliamentary presidents have emphasized that MPs will discuss and assess the draft law on healthcare reform "as long as necessary," thus smashing the coalition's hopes for a quick adoption of the law, Healthcare Minister Andrea Kdolsky (OeVP) says she's confident the dispute with doctors over the planned reform package can be resolved. Speaking after a meeting with doctor's representatives Kdolsky said she understood the harsh rhetoric used by doctors during the debate and expected a solution after the weekend. Meanwhile, liberal daily Der Standard quotes Austrian President Heinz Fischer as calling on doctors to "do without the premature saber rattling" in the debate of the proposed measures. Fischer suggested it would have been better to wait for the outcome of negotiations before threatening strike actions. The problem, according to the President, is "complex, but not unsolvable."

DAIRY STRIKES IMMINENT

¶2. Strikes are imminent as Austria's dairy farmers look to follow their German counterparts in disputes over falling dairy prices, with IG Milch, the association of Austria's dairy farmers, urging farmers to stop deliveries. Ewald Gruenzweil, the IG Milch chairperson explained: "We are appealing for all dairy farmers to halt their shipments completely beginning on Thursday." Gruenzweil is optimistic that large numbers of Austrian farmers will take part in the strike. Even though milk prices have not fallen as fast in Austria as they have in Germany, dairy farmers are expecting the low prices in their larger neighbor to further depress their income. In the face of IG Milch's call on farmers to stop delivering milk to factories and retailers as a protest against low prices, the Austrian agriculture promotion agency, Agrarmarkt Austria, says consumers will not initially be affected as retailers have about one week's supply. In contrast, liberal daily Der Standard runs the front-page headline "Dairy farmers call delivery strike: Daily industry warns of potential shortages" within four days time. Meanwhile, major retailers, including Spar, Billa and Merkur have indicated they are willing to negotiate with IG Milch on the issue. Commenting on these developments, the Standard questions whether strikes are "the right way for farmers to raise awareness of their rapidly dwindling profits? Consumers who have been forced to dig deep in their pockets in recent months to pay for basic food products, will hardly welcome the farmers' actions."

MOLTERER PROMISES RELIEF FOR COMMUTERS

¶3. Finance Minister Wilhelm Molterer of the People's Party (OeVP) has promised sizeable relief to commuters hard hit by rising motor fuel prices. He was responding to calls from his coalition partner, the Social Democrats (SPOe), and provincial governors. Details were announced after Wednesday's regular weekly cabinet meeting. Commuting drivers are being offered tax credits and the private vehicle allowance will also be raised by 12 percent. The changes, which will cost the state 60 million Euros, will go into effect on July 1. Reflecting the majority view, mass-circulation tabloid Kronen Zeitung headlines "Government's relief measures for commuters are inadequate by far." The increase of mileage allowances from 38 to 42 Eurocents as of July and the raise of commuter allowances by 15 percent is "too little and too late," according to Austria's automobile associations, the Chamber of Labor and the opposition parties. Similarly, the head of Austria's Institute for higher Studies HIS, Bernhard Felderer, told semi-official daily Wiener Zeitung that the commuter relief measures are "the wrong kind of incentive." Insead, the government should focus on reducing the income tax burden, as planned for the 2010 tax reform round. Such steps could yield far more promising results, Felderer suggested, and warned that the "more we spend now on other incentives and measures, the less money we will have at our disposal or such key challenges as tax cuts later."

AUSTRIA TO LEAD KOSOVO PEACEKEEPERS

¶4. Austria is taking command of a brigade of the multinational peacekeeping force in Kosovo. It will be the first non-NATO country to command the Multi-National South Brigade, which is made up of nearly four thousand soldiers from seven different countries. Austrian Defense Minister Norbert Darabos (SPOe) pointed out that

Austria has played a key role in Kosovo, and added the appointment "clearly shows the level of trust [in Austria] that the leadership of KFOR is being handled by the Austrian contingent." Austria has taken part in the mission since 1999 with around 12,000 Austrian soldiers taking part, and 700 Austrians are currently deployed there. Austria is taking command of a brigade of the multinational peace-keeping force in Kosovo, made up of nearly 4,000 soldiers from Austria, Azerbaijan, Bulgaria, Germany, Macedonia, Switzerland and Turkey. A total of 16,000 international peace-keepers are based in Kosovo which declared independence from Serbia earlier this year. Centrist daily Die Presse publishes a report of Austria's peacekeeping efforts worldwide, entitled: "From Africa's deserts to the mountains of Kosovo." The daily's foreign affairs writer Wieland Schneider analyzes the international peacekeeping missions the about 1,400 Austrian soldiers are currently engaged in. They include efforts as part of the EU's peacekeeping forces in Chad and in Bosnia, participation in NATO's EUFOR mission in Kosovo and under UN auspices on the Golan. While the emphasis of Austria's military is on peacekeeping missions on the Balkans, the military leadership is also aware of the necessity to be committed to stabilizing in Africa, which are "important for security in the EU and in Austria. The overall motto here is: Go respond to and solve emerging crises, before they have reached your own doorstep." Thus, the Austrian army needs to be capable of participating in the entire spectrum of international missions - from "peace enforcement" as envisaged in the UN charter, to humanitarian and disaster relief projects.

BAN ON CLUSTER BOMBS AGREED

15. More than one hundred nations have reached agreement on a treaty banning the use and stockpiling of cluster bombs. The announcement was made in Dublin last night, after ten days of negotiations. Cluster munitions with their multiple and deadly "bomblets" can cause death and injury among civilians long after the end of conflicts. A number of major countries, including the United States, Russia and China, oppose the ban, but experts are convinced the treaty will affect them nonetheless. Austria took a leading role in the campaign, and was one of the first countries to adopt legislation banning the weapons. More than 100 nations have reached an agreement on a treaty banning the production, acquisition, transport, stockpiling and use of cluster bombs. At the same time, participants agreed on provide financial assistance to cluster bomb victims. ORF radio in its early morning news Morgenjournal quotes an Austrian delegate to the talks, Markus Reiterer, who said the agreement was a "great success" for Austrian diplomacy. Austria has taken a leading role in the campaign to ban cluster bombs and was one of the first countries to adopt legislation banning the weapons.

IRAQ CONFERENCE STARTS IN SWEDEN

16. A United Nation conference on Iraq is beginning in Sweden today. The forum will review progress on security, the economy and political reform. Ahead of the meeting, Iraq's Prime Minister Nuri Al-Maliki underscored that Iraq wanted embassies to reopen and countries to cancel debts to Iraq. An Iraqi government spokesperson is quoted by ORF radio as stressing that his country is now "enjoying a good achievement and development. We have to invest in this development... and need to do more to get reconciliation accepted and promoted" all over Iraq, says ORF radio early morning news Morgenjournal.
Kilner